

Financial Statements of

**THE BRITANNIA COMMUNITY  
SERVICES CENTRE SOCIETY**

Year ended December 31, 2018



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## INDEPENDENT AUDITORS' REPORT

To the Members of The Britannia Community Services Centre Society

### Report on the Financial Statements

#### *Opinion*

We have audited the financial statements of The Britannia Community Services Centre Society (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Reporting on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia) we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Vancouver, Canada  
May 8, 2019

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

## Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Assets</b>		
Current assets:		
Cash	\$ 375,854	\$ 700,432
Short-term investments (note 3)	282,757	356,733
Amounts receivable:		
City of Vancouver	516,049	517,263
Other	178,149	153,409
	1,352,809	1,727,837
Investments (note 3)	1,314,398	1,221,235
Capital assets (note 4)	667,637	705,863
Due from City of Vancouver and Parks Board (note 9(a))	216,000	220,000
	\$ 3,550,844	\$ 3,874,935

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 189,716	\$ 402,059
Deferred contributions (note 6)	377,898	377,840
Deferred revenue (note 7)	241,443	263,467
Due to related parties (note 8)	1,062,028	996,295
	1,871,085	2,039,661
Employee future benefits (note 9)	251,700	259,300
Working capital advance (note 10)	81,000	81,000
Deferred capital contributions (note 11)	509,183	528,940
	2,712,968	2,908,901
Net assets:		
Invested in capital assets (note 12)	158,454	176,923
Internally restricted (note 13)	679,422	789,111
	837,876	966,034
	\$ 3,550,844	\$ 3,874,935

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

## Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Revenue (note 15):		
Contributions from City of Vancouver for operating purposes	\$ 3,669,411	\$ 3,847,953
Rink and Pool	1,206,312	1,087,861
Donations, membership fees and special events	110,247	112,322
Province of British Columbia gaming grant	105,071	123,534
Rentals	20,475	19,400
Interest	24,587	22,894
Contribution from Britannia Community Services Foundation	51,117	48,000
Amortization of deferred capital contributions	19,757	19,757
Programs:		
Child Care	674,821	677,461
Recreation	1,583,686	1,331,732
Community education	405,362	418,952
Other	5,866	8,057
	7,876,712	7,717,923
Expenses:		
Maintenance and operations of buildings, equipment and grounds	1,560,381	1,700,017
Salaries, wages and employee benefits Administration	1,501,816	1,453,023
Salaries, wages and employee benefits Park Board Staff Administration	1,744,782	1,676,099
Gaming grant for children, youth, and senior programs	165,657	199,991
General programs	105,071	123,534
Programs:		
Child Care	454,709	240,091
Recreation	662,777	643,474
Community education	1,204,721	1,176,377
Other	412,961	424,659
Amortization of capital assets	9,885	9,796
	38,226	38,585
	7,860,986	7,685,646
Excess of revenue over expenses before the undernoted	15,726	32,277
Contribution to Britannia Community Services Foundation (notes 13 and 16)	(152,484)	-
Excess (deficiency) of revenue over expenses	\$ (136,758)	\$ 32,277

See accompanying notes to financial statements.

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

## Statement of Changes in Net Assets

Year ended December 31, 2018, with comparative information for 2017

	General Operating Fund			Development Fund	2018 Total	2017 Total
	Invested in Capital assets (note 12)	Unrestricted	Internally restricted (note 13)	Internally restricted (note 13)		
Balance, beginning of year	\$ 176,923	\$ -	\$ 755,896	\$ 33,215	\$ 966,034	\$ 937,757
Actuarial gain (loss) on employee future benefits	-	8,600	-	-	8,600	(4,000)
Excess (deficiency) of revenue over expenses	(18,469)	34,195	(119,269)	(33,215)	(136,758)	32,277
Transfers	-	(42,795)	42,795	-	-	-
Balance, end of year	\$ 158,454	\$ -	\$ 679,422	\$ -	\$ 837,876	\$ 966,034

See accompanying notes to financial statements.

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

## Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses	\$ (136,758)	\$ 32,277
Items not affecting cash:		
Amortization of capital assets	38,226	38,585
Amortization of deferred capital contributions	(19,757)	(19,757)
	(118,289)	51,105
Changes in non-cash operating working capital:		
Amounts receivable	(23,526)	142,161
Accounts payable and accrued liabilities	(212,343)	(308,609)
Deferred contributions	58	53,773
Deferred revenue	(22,024)	6,139
Due to related parties	65,733	58,640
Employee future benefits	1,000	10,500
	(309,391)	13,709
Financing:		
Receipt of capital contributions	-	71,181
Change in due from City of Vancouver and Parks Board	4,000	(13,900)
	4,000	57,281
Investing:		
Proceeds from sale of investments	243,674	419,967
Purchase of investments	(262,861)	(464,868)
Purchase of capital assets	-	(147,786)
	(19,187)	(192,687)
Increase in cash	(324,578)	(121,697)
Cash, beginning of year	700,432	822,129
Cash, end of year	\$ 375,854	\$ 700,432

See accompanying notes to financial statements.



# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

## Notes to Financial Statements

Year ended December 31, 2018

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### 1. Operations:

The Britannia Community Services Centre Society (the "Society") was incorporated under the Society Act (British Columbia) and its principal activity is the provision of social, recreational and educational services to the public. On November 10, 2018, the Society transitioned to the new Societies Act (British Columbia). The Society is a registered charity under the Income Tax Act and, accordingly, is exempt from federal and provincial income taxes.

Pursuant to a master agreement with the City of Vancouver (the "City") and the Board of School Trustees of School District No. 39 (Vancouver) ("VSB"), the Society manages the Britannia Community Services Centre with operating funds provided by the City and through its own fundraising and program activities.

Operations include the Society's support, at the discretion of the Board of Management, to various community-initiated programs.

### 2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook – *Accounting* and include the following significant accounting policies:

#### (a) Basis of presentation:

The financial statements do not include the results of operations of the Britannia Community Services Foundation (note 16), an entity controlled by the Society.

#### (b) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Years
Buildings - Carving Pavilion	25
Equipment	3 - 10
Leasehold improvements	10 - 20
Vehicles	7

Title to the buildings to which improvements are made, and certain other assets at the discretion of the Society, are vested in the City. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated useful life of an asset are capitalized. When a capital asset no longer contributes to the Society's ability to provide services, it is reviewed for impairment and its carrying amount is written down to its residual value.

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

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## 2. Significant accounting policies (continued):

### (c) Revenue recognition:

The Society follows the deferral method of accounting for contributions, which include government grants and donations. These amounts are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the acquisition of capital assets are deferred and amortized to revenue on the same basis as the related assets are amortized.

Unrestricted contributions are recognized as revenue in the year in which the funds are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Operating grants are recorded as revenue in the period to which they relate. Unrestricted grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant received relates to a future period, it is deferred and recognized in that subsequent period.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenue from fees, contracts and sales of publications is recognized when the services are provided or the goods are sold. Certain fees, which are applicable to the following fiscal year for recreation programs and swimming and skating lessons are received before year end. These amounts are recorded as deferred revenue to the extent the programs are held in the subsequent year.

Donated services and materials normally acquired for the operations of the Society are recorded at their fair value, when readily determinable and may be based on donor provided information, as of the date the services are provided or the materials are received. Donated services in the form of volunteer time are not recognized in these financial statements due to the difficulty in determining a fair value.

### (d) Employee future benefits:

Employees are entitled to earned benefits related to non-vested accumulating sick leave, sick leave gratuity and full vacation entitlement at retirement. Certain employees may also defer current vacation entitlements. The liability and expense for these benefits and compensated absences, including non-vested amounts, is recognized in the financial statements in the period in which employees render services and on the basis that the benefits are expected to be provided when the employees are no longer providing active service.

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

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## 2. Significant accounting policies (continued):

### (d) Employee future benefits (continued):

The Society has accrued future obligations for all post-employment benefits using the projected benefits method prorated on service. The Society's employees include Administrative, Parks Board and Child Care. The compensation, including employee future benefits of Administrative and Parks Board employees, is funded directly by the City of Vancouver. Child Care employees' compensation, including future benefits, is the responsibility of the Society.

The Society records actuarial gains and losses directly in net assets in the period they arise.

### (e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses for the reporting period. Significant areas requiring management estimate include the estimated useful lives of capital assets and valuation of employee future benefits. Actual results could differ from those estimates.

### (f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society elected to carry all investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 3. Investments:

Investments are measured at fair value and are presented on the statement of financial position as follows:

	2018	2017
Short-term investments:		
Guaranteed investment certificates	\$ 282,757	\$ 356,733
Long-term investments:		
Guaranteed investment certificates	1,314,398	1,221,235
	<u>\$ 1,597,155</u>	<u>\$ 1,577,968</u>

The guaranteed investment certificates bear interest ranging 1.81% to 3.1% (2017 - 1.81% and 2.9%), and mature between March 2019 and October 2023 (2017 - January 2018 and December 2022). Amounts maturing within the next fiscal year have been classified as short-term investments.

## 4. Capital assets:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Building - Carving Pavilion	\$ 656,751	\$ 78,132	\$ 578,619	\$ 599,657
Equipment	233,198	225,030	8,168	11,647
Leasehold improvements	269,312	188,462	80,850	94,559
Vehicles	41,493	41,493	-	-
	<u>\$ 1,200,754</u>	<u>\$ 533,117</u>	<u>\$ 667,637</u>	<u>\$ 705,863</u>

The Society occupies a building that is leased from the City of Vancouver at a nominal rate. Leasehold improvements relate to this building.

## 5. Accounts payable and accrued liabilities:

At December 31, 2018 and 2017, there are no government remittances payable.

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 6. Deferred contributions:

Deferred contributions represent restricted contributions related to program and project expenses of future periods which will be recognized as revenue in the period in which the related expenses are incurred or the programs are provided.

	Balance, December 31, 2017	Amounts received during the year	Amounts recognized as revenue	Balance, December 31, 2018
Gaming Programs	\$ 21,221 356,619	\$ 118,755 753,048	\$ 105,071 766,674	\$ 34,905 342,993
	\$ 377,840	\$ 871,803	\$ 871,745	\$ 377,898

## 7. Deferred revenue:

Deferred revenue represents fees received related to recreation programs, memberships and swimming and skating lessons to be provided in the following fiscal year:

	2018	2017
Recreation programs	\$ 227,202	\$ 223,028
Pool and rink	14,241	40,439
	\$ 241,443	\$ 263,467

## 8. Due to related parties:

The Society has management agreements with each of the Child Care Societies listed below. Each Child Care Society has an individual agreement with the Society. Through these agreements, the Society provides human resource management and financial services to the Child Care Societies. The management agreements do not compromise the Child Care Societies' existence as independently governed separate legal entities. The amount due to related parties is comprised of cash and investments held on behalf of these entities under management agreements. The amounts bear interest at the rates earned by the cash and investments and are payable on demand.

	2018	2017
Grandview Terrace Child Care Society	\$ 271,883	\$ 230,411
Eagles in the Sky Child Care Society	118,112	129,699
Lord Nelson School Child Care Society	426,839	401,837
Mount Pleasant Child Care Society	245,194	234,348
	\$ 1,062,028	\$ 996,295

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 9. Employee future benefits:

Employee benefit liabilities are as follows:

	2018	2017
Administration (a)	\$ 115,100	\$ 115,400
Parks Board (a)	100,900	104,600
Child Care	35,700	39,300
	<b>\$ 251,700</b>	<b>\$ 259,300</b>

The liabilities reported in 2018 are based on an actuarial valuation as at December 31, 2018 using the following valuation assumptions:

	2018	2017
Discount rate	3.70%	3.25%
Inflation rate	2.50%	2.50%
Rate of compensation increase	2.58 to 4.50%	2.58 to 4.50%

The continuity of the Society's employee benefit liability, which is equal to the actuarial obligation, is as follows:

	2018	2017
Beginning of year	\$ 259,300	\$ 244,800
Current service cost	20,200	19,200
Interest cost	8,400	8,600
Actual benefits paid	(27,600)	(17,300)
Actuarial (gain) loss	(8,600)	4,000
	<b>\$ 251,700</b>	<b>\$ 259,300</b>

(a) The employee benefit liabilities relating to Administration and Parks Board are funded by the amount due from City Vancouver and Parks Board reported on the statement of financial position. The amount due is non-interest bearing and has no specified terms of repayment.

## 10. Working capital advance:

The working capital advance represents funds received from the City at the Society's inception to assist with monthly expenses, if required. These funds are repayable to the City upon the cessation of the Society and are non-interest bearing.

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 11. Deferred capital contributions:

	2018	2017
Balance, beginning of year	\$ 528,940	\$ 477,516
Contributions received during the year	-	71,181
Amortization during the year	(19,757)	(19,757)
Balance, end of year	\$ 509,183	\$ 528,940

Deferred capital contributions represent the unamortized amount of funds received from funders for and spent on the construction of a carving pavilion and child care playground.

## 12. Net assets invested in capital assets:

(a) Net assets invested in capital assets is calculated as follows:

	2018	2017
Capital assets	\$ 667,637	\$ 705,863
Amounts financed by deferred capital contributions	(509,183)	(528,940)
	\$ 158,454	\$ 176,923

(b) Change in net assets invested in capital assets:

	2018	2017
Purchase of capital assets	\$ -	\$ 147,786
Amortization of deferred capital contributions	19,757	19,757
Amortization of capital assets	(38,226)	(38,585)
Deferred capital contributions received	-	(71,181)
	\$ (18,469)	\$ 57,777

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 13. Internally restricted net assets:

Internally restricted net assets are comprised of the following:

	Balance, December 31, 2017	Increase (decrease), during the year	Balance, December 31, 2018
Child Care	\$ 173,028	\$ 16,502	\$ 189,530
Community Education	31,231	(7,599)	23,632
Van	40,000	-	40,000
Building Reserve	10,000	(10,000)	-
Discretionary Reserve	451,637	(25,377)	426,260
Development Fund	33,215	(33,215)	-
Allan Ross Legacy	50,000	(50,000)	-
	<b>\$ 789,111</b>	<b>\$ (109,689)</b>	<b>\$ 679,422</b>

The restricted Child Care and Community Education funds provide a source of funding in these programs for program deficits that may arise, capital acquisitions, or other uses related to these programs as determined by the Board of Management.

The restricted Van fund provides a source of funding for future major van repairs or to contribute to its possible replacement.

The restricted Building Reserve and Discretionary Reserve represent funds committed during the year by the Board of Management for specific programs including capital items, but not expended by year end.

The Development Fund was established during 1988 to provide capital funding for extraordinary projects. Amounts transferred to this fund are to be used at the discretion of the Board of Management, and cannot be used to fund operating expenditures of the Society.

The Allan Ross Legacy Fund was established in 2015. The purpose of the fund is to provide a scholarship each year to a graduate student with a history of community service, commitment to recreation, and the environment. The scholarship money comes directly from investment income earned from the legacy fund, and the balance of the fund will remain at \$50,000.

In 2016, the Britannia Board of Management passed a new annual surplus policy in which annual and prior surpluses be allocated in the following manner:

- Surpluses generated in the Britannia Child Care and Community Education will be accrued to the dedicated reserves;
- The Van Reserve would be established and maintained at \$40,000;
- 75% of the remaining surplus would be allocated to a Facility Renewal Capital Fund that is managed by the Britannia Foundation;
- 15% of the remaining surplus to be placed in the Discretionary Reserve;
- 10% of the remaining surplus to be transferred to the Britannia Foundation for the legacy of the Society.



# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 13. Internally restricted net assets (continued):

In accordance with the 2016 surplus policy, the Building Reserve, the Development Fund, and the Allan Ross Legacy Fund of \$152,484 were transferred to the Britannia Community Services Foundation (the "Foundation") on February 8, 2018. The intended use of the transferred funds by the Foundation is to remain unchanged.

## 14. Vancouver Foundation:

Funds administered by the Vancouver Foundation for which the Society is the beneficiary of the income are permanently restricted and consequently not included as an asset of the Society in these financial statements. The fund balance at December 31, 2018 is \$50,100 (2017 - \$50,100). The related market value at December 31, 2018 is \$53,459 (2017 - \$56,328).

Under the terms of the fund, the Society receives income earned on the capital. Income received in the amount of \$524 (2017 - \$496) has been recorded in interest income in the General Operating Fund.

## 15. Revenue:

Revenue consists of contributions and fee revenue from the following sources:

	2018	2017
City of Vancouver	\$ 3,847,285	\$ 3,911,115
Government of Canada	240,672	149,172
Province of British Columbia	259,089	269,121
Fee for service	2,892,886	2,673,857
Britannia Community Services Foundation	51,117	48,000
Other	585,663	666,658
	<u>\$ 7,876,712</u>	<u>\$ 7,717,923</u>

Included in revenue from the City is \$177,874 of child care, recreation and community education programs revenue (2017 - \$63,162).

Contributions from the City in the statement of operations include Vancouver Park Board staff services with a value of \$1,744,782 (2017 - \$1,676,099) and maintenance staff services with a value of \$444,098 (2017 - \$338,715). The related expenses are recorded in Salaries, wages and employee benefits Park Board Staff expense and Maintenance and operations of buildings, equipment and grounds expense on the statement of operations

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 16. Britannia Community Services Foundation:

The Foundation was incorporated on November 20, 2002 under the Society Act (British Columbia) and transitioned to the new Societies Act (British Columbia) on November 6, 2018. The purpose of the Foundation is to further services and programs offered by the Society by providing financial support. The Society controls the Foundation by virtue of its ability to appoint a majority of the Foundation's Board of Directors.

The net assets and results of operations of the Foundation are not included in the financial statements of the Society. A financial summary as at December 31, 2018, based on unaudited financial statements of the Foundation, is as follows:

	2018	2017
<b>Financial position</b>		
Total assets	\$ 1,460,493	\$ 1,371,437
Total liabilities	52,617	49,500
Total net assets	\$ 1,407,876	\$ 1,321,937

	2018	2017
<b>Result of operations</b>		
Total revenue	\$ 372,955	\$ 90,684
Expenses:		
Grant to Britannia Community Services Centre Society	51,117	48,000
Administration	17,346	17,509
Foreign Withholding Taxes	682	-
Total expenses	69,145	65,509
Excess revenue over expenses	\$ 303,810	\$ 25,175

	2018	2017
<b>Statement of cash flows</b>		
Operating activities	\$ 116,824	\$ (26,763)
Investing activities	(116,824)	26,763
Change in cash and cash balance, beginning and end of year	\$ -	\$ -

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

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## 16. Britannia Community Services Foundation (continued):

At its meeting held on June 28, 2017, the Finance Committee of the Society authorized that \$59,269 from its Discretionary Reserve, \$10,000 from its Building Reserve, \$33,215 from its Development Fund, and \$50,000 from the Allan Ross Legacy Fund, for a total of \$152,484, be transferred to the Foundation. Of this balance, \$90,188 was placed in the Foundation's Development Fund and \$62,296 was used to create the Britannia Foundation Facility Capital Renewal Fund. These transfers occurred in February 2018.

## 17. Bank facility:

The Society has available an operating line of credit to a maximum of \$150,000 at an annual rate of bank prime. This is secured by a general security agreement creating interest against all present and after-acquired personal property and specifically charging \$150,000 assignment of deposits and registered at the Personal Property Registry against the Society. As at December 31, 2018, the Society had not drawn on this facility (2017 - nil).

## 18. Financial risks:

### (a) Interest rate risk:

The Society is exposed to interest rate risk on its fixed interest rate financial instruments, which subject the Society to a fair value risk. The Society is exposed to this type of risk as a result of investments in guaranteed investment certificates (GICs).

### (b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the accounts receivable and its investments in GICs. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. GICs are invested with reputable financial institutions.

### (c) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change to the risk exposures from 2017.

## 19. Disclosure of employee and contractor remuneration:

For the year ended December 31, 2018, the Society paid total remuneration of \$414,358 (2017 - \$386,863) to four employees (2017 - four employees) and contractors for services, each of whom received total annual remuneration of \$75,000 or greater. No remuneration was paid to any members of the Board of Directors.

# THE BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2018

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## **20. Economic dependence**

The Society receives a major portion of its revenue pursuant to a funding arrangement with the City of Vancouver and Parks Board. Future operations of the Society depend on continued funding under these arrangements.

## **21. Comparative information:**

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.